

## **The complaint**

Mr N is unhappy American Express Services Europe Limited (AESEL) trading as American Express haven't awarded his credit card account with the correct amount of points when he used their referral scheme.

## **What happened**

In November 2021, Mr N contacted AESEL to find out the maximum amount of membership reward points he could earn in a calendar year, as a result of referring his friends and family to take out a credit card with AESEL. Mr N was told the maximum reward points he could earn through their referral scheme was 150,000 a year. Mr N said he had 85,000 points already through recommending friends and family and so had 65,000 left to earn before he reached the cap of 150,000. Mr N referred three people he knew to AESEL and says that he should have got 18,000 points per person he referred. So, Mr N says he should have received another 54,000 points in total. But he didn't receive this and told us that he thinks he received around 6,000 points instead.

AESEL looked into Mr N's complaint. They said Mr N was told the incorrect information when he contacted them in November 2021. AESEL pointed to their terms and conditions for their referral programme which explained the maximum amount of bonus points that can be earned in a year is 90,000. AESEL apologised for the incorrect information Mr N was given and applied 12,500 membership reward points to Mr N's credit card account as an apology. Mr N says AESEL should honour the 54,000 points he feels he should have got for referring the three people.

Our Investigator agreed that Mr N had been given the incorrect information when he contacted AESEL. And that had Mr N been given the right information, it's more likely than not that he would have waited until the following year, 2022, to refer the three people he did in order to benefit from the bonus points. So, our Investigator asked AESEL to credit the points he should have received, minus the 12,500, to Mr N's 2022 membership reward points limit.

Mr N replied in April 2022 and said he'd already received the maximum 90,000 reward points as a result of referring people to open an AESEL account in 2022 already. So, what our Investigator recommended wasn't possible as Mr N had already reached the 90,000 points cap for 2022.

Our Investigator looked into things again said there had been a loss of expectation as a result of Mr N being given the wrong information. So, instead of crediting his account with the points as previously suggested, our Investigator asked AESEL to pay Mr N £100 compensation, in addition to the 12,500 points they applied to his credit card account. Mr N didn't accept our Investigator's view and said he wouldn't accept anything less than £250 to resolve his complaint. AESEL also replied and said the 12,500 points they credited Mr N's account with was equal to £50. And they felt this fairly compensated Mr N for the incorrect information he was given. So, the complaint has been passed to me to decide.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The crux of Mr N's complaint is that he was given the incorrect information by AESEL and was told the cap was 150,000 membership reward points in any calendar year. Although Mr N says he already received 85,000 points from referring other friends and family, he wants AESEL to give him the 54,000 points he says he should have got from referring three more people.

It's not in dispute that Mr N was told incorrectly that the cap was 150,000 when he contacted AESEL in November 2021 to ask specifically what the cap was. So, it's clear something went wrong here. What I'll go on to decide is if there's any detriment caused to Mr N and whether AESEL have done enough to put things right for him.

I've looked at the terms and conditions for the referral programme AESEL offer. And I can see they set out that the programme rewards card members who refer friends and family to apply for an account with AESEL. However, there's certain conditions that apply such as the type of card being applied for and also the card held by the card member. In some cases, both the card member and those that the card member refer to open an account with AESEL can be rewarded with bonus points.

The terms and conditions go on to explain how the referral can be done and also what the eligibility criteria is. I've then gone on to read that card members, with the type of credit card Mr N has, can receive up to 90,000 bonus points a year through the referral scheme and that this is the annual bonus cap. So, I think the terms and conditions set out clearly that the amount of bonus points Mr N can receive through the referral scheme with the type of credit card he has is 90,000.

However, I don't find it unreasonable that Mr N relied on the information he was told over the phone in November 2021 – that in fact, he could receive 150,000 points in a year. So, I don't think Mr N's actions, when referring three more people to take out an account with AESEL following this information, was surprising.

AESEL have credited Mr N's account with 12,500 points in recognition of the incorrect information he was given and they've explained this equates to £50. However, Mr N feels AESEL should honour the 54,000 points he says he ought to have got when he referred three people to apply for an account with AESEL.

Our service generally won't require financial businesses to make incorrect information true – instead, we'd look at the impact that's had. I understand Mr N's frustrations in being told the incorrect information and not receiving the amount of points he feels he should have got. However, as the cap for the points is 90,000, Mr N wasn't ever entitled to more than that, so I can't require AESEL to credit those points.

In saying that though, I do think compensation is fair here. This is because Mr N's expectations weren't managed correctly when he was told the cap was 150,000 and as a result, I think Mr N has lost out. I can also understand Mr N's frustration and upset when he didn't receive the 54,000 points. So, with that in mind, I agree with our Investigators recommendation that £100 compensation, in addition to the 12,500 points AESEL have credited Mr N's account with, is fair in the circumstances.

I can see from the information AESEL have provided us with that Mr N was credited with 6,000 points on 6 November 2021 which I think on balance, is the 6,000 points Mr N has

said he thinks he received in this complaint. But Mr N told us he had already received 85,000 points from AESEL in 2021 before making the referrals. So, it may be that AESEL credited Mr N more than he was entitled to when the three referrals were made. But, in any case, that was a decision for AESEL to have made - I remain satisfied AESEL's credit of a further 12,500 points, plus my recommendation of £100 compensation is fair to put matters right.

### **My final decision**

For reasons explained above, I uphold this complaint and I require American Express Services Europe Limited (AESEL) trading as American Express to pay Mr N £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 22 September 2022.

Leanne McEvoy  
**Ombudsman**